

Opportunity Zone Job Tax Credits

Applicable to Initial Job Threshold met in tax years beginning on or after January 1, 2012

- Part of the Georgia Job Tax Credit Program under O.C.G.A. 48-7-40.1(c)(4)
- Business can be any business of any nature; not bound by “business enterprise” definition
- Business must create at least two (2) net new jobs within a tax year and the new jobs must be full-time jobs working at least 35 hours per week (Note: The two jobs may not be filled by a married couple)
- New jobs must be offered health insurance upon employment; the employer does not have to pay for such insurance, just offer it
- The average wage of each new job created must pay at least the average wage of the county with the lowest average wage in the state – as of June 2015 this is Glascock County at \$470 per week or \$24,440 per year, per DOL (Georgia Employment and Wages – 2014 Averages)
- Jobs threshold must be created within a single tax year and tax credit may first be claimed on the initial year tax return — for example, eligible new jobs created in 2015 may claim credit on the 2015 tax return – if these jobs are then maintained for the next four years the business may claim the tax credit on each of those years tax returns as well; tax credit = \$3,500 per job
- Business must have an accepted *Opportunity Zone Certification* form to file for tax credit
- Credit is claimed by filing *Form IT-CA2012* with the Georgia Corporation Income Tax return, along with a copy of the accepted Opportunity Zone Certification
- Credit may be applied against 100 percent of any corporate income tax liability on the Georgia Income Tax Return (credit may not be applied to net worth tax liability)
- Excess credit may be applied against withholding
- Business has 10 years from the year the jobs are created to utilize the tax credit against income taxes or withholding, depending upon how the credit is initially filed and claimed

Withholding Tax Credits

- Job Tax Credit claimed against withholding (WH) is limited to \$3,500 per eligible job
- Credit must first be applied to any corporate income tax liability prior to claiming WH
- Carry forward credits against income taxes may not be later applied to withholding
- Withholding may not be claimed on an amended tax return
- No refund is paid on withholding credits; withholding credit is applied against future remittances until the credit is utilized or expires

Claiming Withholding Credit

- Business must file *Form IT-WH* with the Department of Revenue (DOR) at least 30 days prior to the filing of the original tax return in which the credit will be filed and claimed
- Business files Georgia corporation income tax return, along with *Form IT-CA*, by the due date, or extended due date
- DOR has 120 days to review the job tax credit once the return is filed
- Business will receive notification from DOR of approved credit and when to claim against WH
- Business will then apply credit to WH returns until fully utilized
- Withholding credit has no affect on employees
- Flow-through entities may elect to claim a specific portion of the credit against the entity's payroll withholding and flow the remaining credit through to shareholders, partners, or members. This is an annual election dependent upon the filing of *Form IT-WH*.

Form IT-CA and *Form IT-WH* may be obtained from the Department of Revenue web site at: http://dor.georgia.gov/documents/forms?field_form_type_tid=2871

Opportunity Zone web site: <http://www.dca.ga.gov/oz>

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